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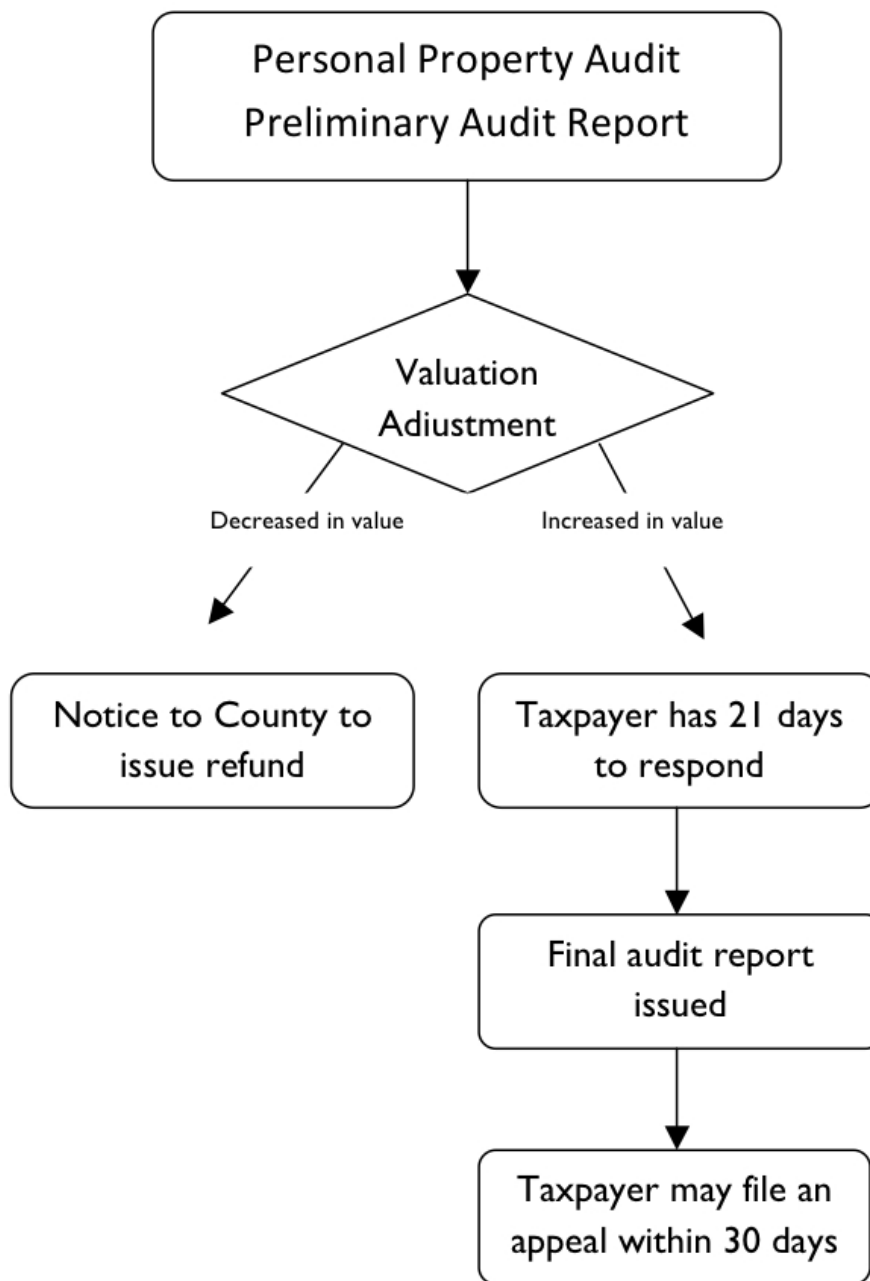
Assessments

Property that is subject to taxation may be assessed by a County Assessor or by the Property Tax Division, depending on the nature of the property. For purpose of this document, we refer to "locally assessed properties" which are assessed by the County Assessor of the county in which the property is located, and "centrally assessed properties", which are assessed by the Property Tax Division of the Commission. The valuation processes and appeals processes differ somewhat, depending on the type of property.

Locally assessed property is valued each year. For real property, each county has established a 5-year cyclical reappraisal schedule as required by statute. The counties also use computer-assisted mass appraisal systems to apply current market data to annual assessments.

Personal property is reported to the County Assessor by the property owner, lessee or lessor by annual self-assessment affidavit. Personal property assessments are derived from cost information or depreciation schedules. The county assessor mails the personal property statement forms in late January or early February. Property owners have 30 days to complete and return the forms. Thereafter, assessments are issued. The assessments are subject to appeal within 30 days.

Audits

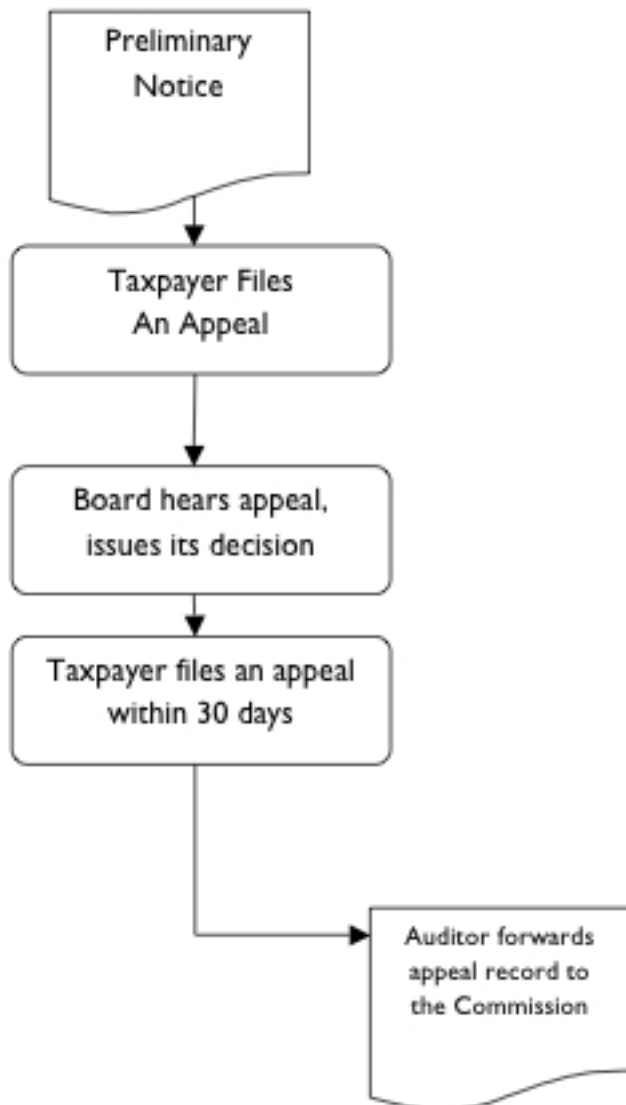


The Defect To The District, by the County, is the only one that can be appealed through the Audit Process

- The County Assessor selects the business accounts to be audited
- The Property Tax Division conducts the audits, issues preliminary findings, and considers any additional information submitted by the property owner.
- The final audit report is issued to the property owner and the affected county.
- If a refund is due, the county is notified immediately to avoid delay of the refund
- If the auditor recommends an increase in valuation, the taxpayer has rights of appeal through

the county and state administrative appeals processes, and through the courts on judicial review.

Appeals



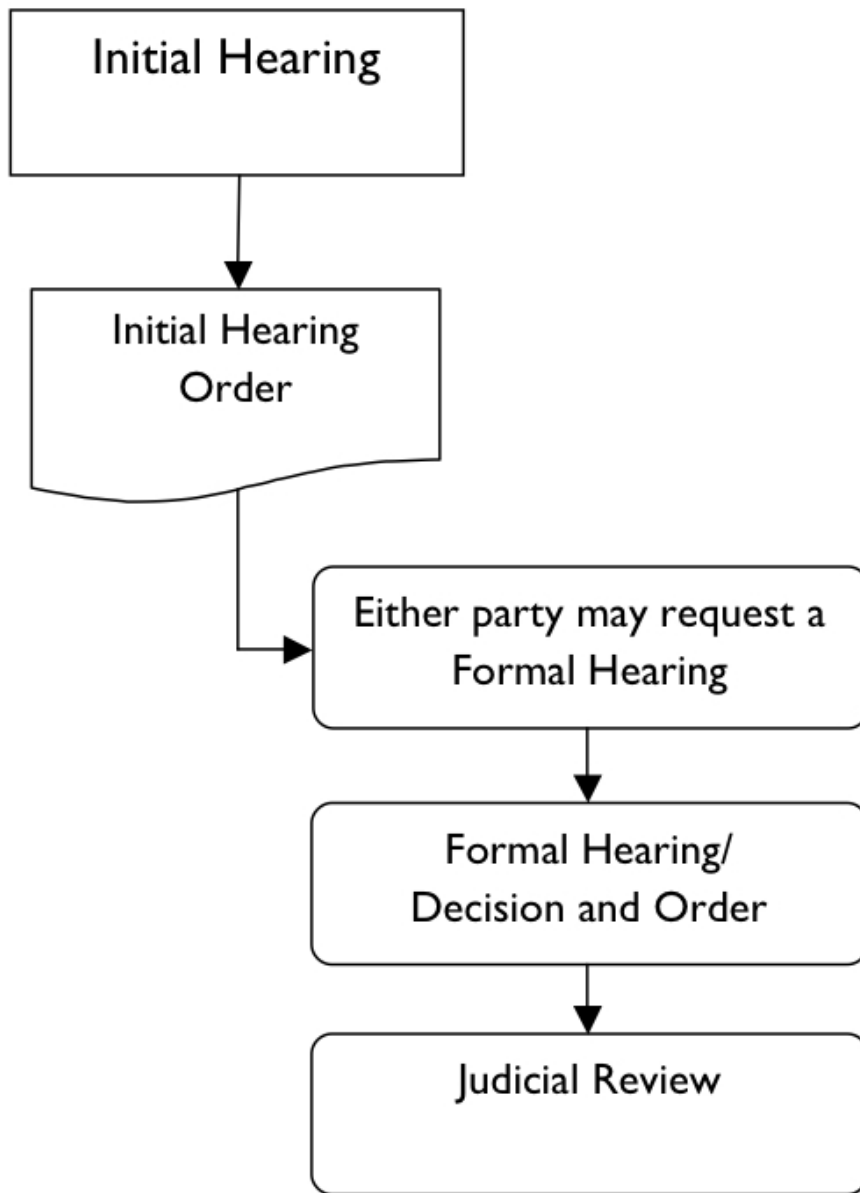
Valuation notices for locally assessed real property are mailed to property owners in late July or early August. Taxpayers may dispute their property assessment by filing an appeal with the Board of Equalization in the county where the property is located. Late filed appeals are accepted under criteria specified in statute and administrative rule. Valuation notices for personal property are mailed earlier in the year. Personal property assessments are subject to appeal within 30 days of the date that the valuation notice is mailed.

All locally assessed property tax appeals must first be filed with the County Board of Equalization. The Board's decision may be appealed to the Tax Commission. The Tax Commission's decision is subject to judicial review in the District Court or Supreme Court.

Board of Equalization

- Preliminary valuation notice issued.
- Taxpayer may appeal the property valuation to the County Board of Equalization within the time frame specified by law. (Generally by September 15 of each year.)
- The County Board of Equalization hears the appeal, issues a decision. That decision may be appealed to the Commission within 30 days.
- To file an appeal to the Commission, the appeal form must be filed with the County Auditor. The Auditor attaches the hearing record and decision from the County Board of Equalization and forwards the appeal documents to the Tax Commission's Appeals Unit.
- Appeals from Board of Equalization decisions proceed through the Commission appeals process. The appeal follows one of three courses, depending on which county is involved.

Rural Counties



Rural County Appeals Process

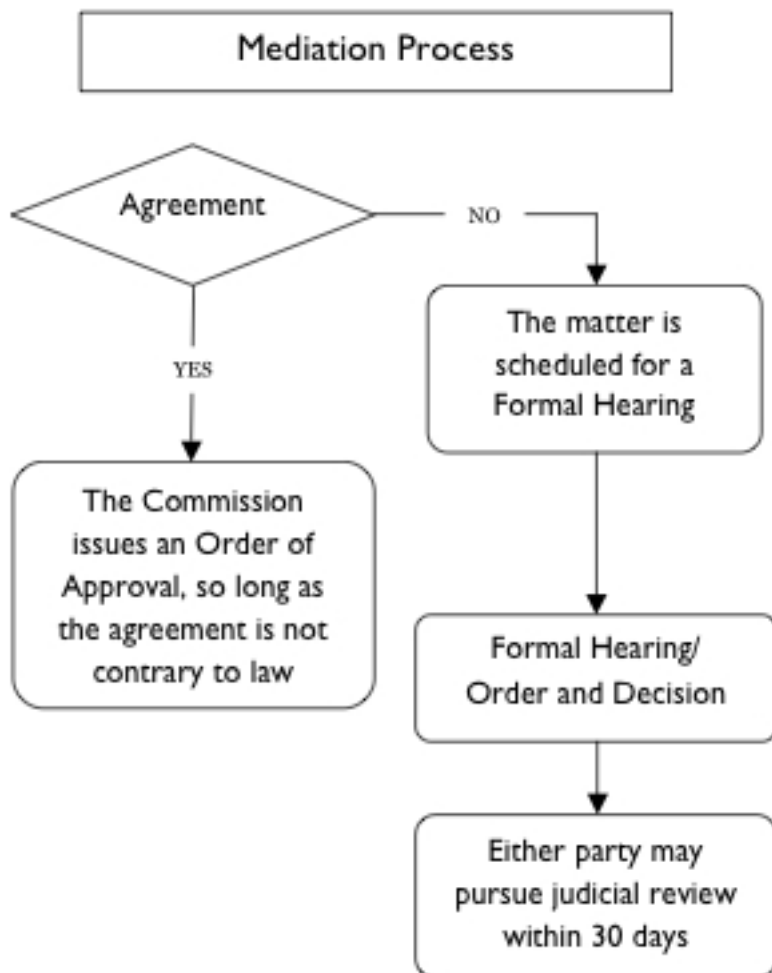
- Commissioner(s) travel to the outlying County for Initial Hearings
- Commission issues its decision
- Any party dissatisfied with the Commission's decision may request a Formal Hearing
- Commissioner or Administrative Law Judge conducts the Formal Hearing
- Commission issues its decision
- Either party may seek judicial review in District Court or the Supreme Court

Wasatch Front Counties

Appeals involving properties located in the Wasatch Front counties are generally assigned to an Administrative Law Judge. These include Davis, Salt Lake and Utah. Matters involving Wasatch and Summit Counties may be scheduled in the County or at the Commission offices. (These counties have a high number of secondary residences.) Generally, an Administrative Law Judge travels to Box Elder, Cache, Weber, Tooele and Utah counties.

Appeals in Utah County are set for a mediation conference. However, either party may opt out of the mediation process and proceed to an Initial Hearing or a Formal Hearing. Salt Lake and Davis counties do not usually mediate, so all appeals in those counties are set for Initial Hearing.

Mediation Process



The Commission offers free mediation services, but the parties may agree to select a different mediator and divide the costs between them. If the parties opt to use the Commission's mediators,

an Administrative Law Judge is assigned to act as the mediator. If mediation is not successful, that Administrative Law Judge is barred from further involvement in the appeal.

The mediation process is intended to allow the parties to meet informally with a mediator who will facilitate the discussion. During this process, the parties can discuss all of the evidence that is available to that point and, with the assistance of a mediator, work toward a satisfactory agreement that will resolve the issues pending an appeal.

This informal process benefits the taxpayer, who generally has little or no expertise in property tax assessment, by relieving him of any legal burden to prove his case and by allowing the parties to have a candid discussion about "comparable sale" or other information that lends itself to estimating property values. This process also benefits the counties because they do not have to expend resources to prepare an appraisal for a hearing. It also gives the county officials an opportunity to work *with* the taxpayer outside of an adversarial setting. Finally, this process benefits the Commission by avoiding the two-step hearing process followed by written decisions and deliberations.

- Mediation Conference scheduled. Parties have opportunity to opt out.
- Parties meet with a mediator and work toward agreement.
- If parties agree, they sign a stipulation and the Commission issues an order approving their agreement.
- If the parties do not agree, the matter is scheduled for Formal Hearing.

If the parties come to an agreement through the mediation process, their stipulated agreement is submitted to the Commission for approval. If the parties cannot reach agreement, the matter is scheduled for a Formal Hearing. The Commission issues its Decision and Order from the Formal hearing. Either party may seek judicial review in the courts.